

Lake Durango Water Authority
Minutes of the Regular Meeting of the Board of Directors
April 28, 2008

1. Call to Order

The meeting was called to order at 6:05 p.m. by President Peter Butler; other Directors present were Vice President Ward Holmes, Treasurer Tom Brossia, Secretary Bob Woods and Director Janet Anderson. Recording Secretary Tracy Pope and her replacement Jenna Hutt were also present. Attorney Bud Smith attended the meeting as well.

2. Approval of Agenda

The agenda was approved, with the addition of discussions for financial matters after item 6; moving up items 11 & 12, bank account discussions and DOLA Grant; and moving the executive session items to the bottom of the agenda.

3. Approval of Minutes

Tom made a motion to approve the minutes of the March 17, 2008 Regular Meeting. Bob seconded the motion. Motion carried.

4. Public comments/questions

A property owner asked if water taps would be for sale anytime soon. The Board explained the 1,435 current commitments and the limitations on raw water supply.

There's a DOLA workshop in Pagosa Springs the end of May on renewable energy uses in water systems.

There's a water seminar in Alamosa coming up in June that the entire Board may attend.

5. Request to BOCC to lift tap moratorium

Brett Sherman explained the May 6th BOCC hearing on Resolution 2003-29 when two developers will be asking for a repeal of the moratorium of Lake Durango tap connections that must go through the County planning process. The Board discussed the moratorium. Janet made a motion that the LDWA board represent to the BOCC that it is too premature to lift the moratorium, and when the Authority closes on Lake Durango, then we can look at the moratorium more closely. Ward seconded the motion. Motion carried. Peter will speak on behalf of the Authority.

6. Status of PUC Process

The application has been deemed complete. On Wednesday the commission will review the application, the three motions to intervene, and decide whether or not to set a hearing. The PUC will likely ask for a stipulation between the Authority and the Shenandoah interveners regarding future maintenance of lines. Both the Authority and LDWC have filed motions to dismiss the intervention of the Johnson Family interveners. Earliest final order could be mid-June.

7. Financial items (addition to the agenda)

The Board discussed legal investments for Water Authorities including local government Pools or Trusts like ColoTrust and C-Safe. Tom made a motion to adopt a resolution to invest funds in ColoTrust. Bob seconded the motion. Motion carried. Tom is appointed as key contact person; Peter will be the designee for voting; Tom and Bob will be authorized to transfer funds. The Board also discussed the SWCD grant contract. Tom made a motion to accept the contract and the grant. Janet seconded. Motion carried. The Board will discuss the revenue bond when LDWA is closer to issuance.

8. DOLA Grant (moved from item #12)

Ward has been notified that LDWA has been awarded a \$500,000 Energy Impact Grant. Bud will follow-up with the grant contract, which will be good for one year.

9. Bank account – expenses to be paid (moved from item #11)

The Wells Fargo checking account is opened. The Board needs to sign the signature card and banking resolution at the bank.

Total receipts owed by the Authority is approximately \$75,000 to DW1, DW2, Bud Smith and Jeff Pearson. Bob made a motion to pay the current attorney bills. Tom seconded the motion. Motion carried.

10. Insurance

Bob reported on his review of D&O insurance proposals from Rural Special Districts, Great American and the Special Districts Association Pool. Ward made a motion to purchase a D&O insurance policy with Rural Special Districts. Janet seconded the motion. Motion carried.

11. Responses to progress report on due diligence

The Board discussed responses to the progress report mailed earlier this month. Peter will write an acknowledgement to each of the letters received.

12. Other items that need to be addressed before closing

Short list for future agendas: management of the system and easement review. Resident Dick Griffith informed the Board of his recommendations: an independent engineering review of the treatment plant; upgrade PRD to carry more water; complete a land survey; check Lightner Creek easements, check for easement for Johnson Lateral Ditch on Ute tribal land; publish a legal notice regarding Authority obligations; and hire professional independent consultants to work on due diligence, like provide a written legal opinion on water rights.

13. Per C.R.S. 24-6-402(4) Ward made a motion that the Board enter into Executive Session to (b) consult an attorney on specific legal strategies regarding discussion of contracts with subdivisions, a draft letter to clarify loan status in MOA, and fire hydrant testing. Janet seconded the motion. Motion carried.

After properly voting to come out of executive session, the board asked Tom to talk to Bob Johnson about having the fire department test hydrants on the system. Tom made motion that with Bob Johnson's approval, Janet should proceed with hydrant testing. Bob seconded the motion. Motion carried. Also, Bud will provide additional investigations into the loan status in the MOA.

- Additions to the Agenda

-Tracy will try to get the LDWA minutes posted on the La Plata County Website

- Bud will further review the Shenandoah Processing Agreement with Janice Sheftel

- Tracy Pope resigned as Recording Secretary. Ward made a motion to appoint Jenna Hutt as Recording Secretary (Assistant Secretary). Tom seconded the motion. Motion carried.

13. Adjourn

The meeting was adjourned at 8:50 p.m.

Bob Woods/Secretary